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Minister Flaherty Stands Up for Canadian Consumers

The Honourable Jim Flaherty, Minister of Finance, met with the Retail Council of Canada and representatives of major Canadian retailers today and encouraged them to reduce prices to reflect the increased purchasing power of the Canadian dollar.

"Now that the Canadian dollar and the US dollar are at par, I strongly urge Canadian distributors, wholesalers and retailers to reduce prices for Canadian consumers as soon as possible," said Minister Flaherty. "Canadians work hard to support themselves and their families. When they purchase goods, they deserve to pay a price that reflects the strength of the Canadian dollar."

During the meeting Minister Flaherty encouraged retailers to:

1) Be open about their pricing practices in terms of the US dollar so consumers will understand how the system works.

2) Ensure consumer prices reflect the new reality. There should not be large discrepancies between similar products just because they are being sold on different sides of a common border.

Retailers point out that prices cannot be reduced overnight. They say there are lag times with respect to inventory that was priced before the dollar reached par. They also point out that there are additional costs of doing business in Canada such as higher freight costs, additional costs for translation and higher brokerage tariffs. Yet some retailers have announced that they are lowering prices immediately to reflect the strength of the Canadian dollar.

"I applaud retailers that are lowering prices and passing along the savings to Canadian individuals and families," said Minister Flaherty. "If consumers don't think they are getting a fair deal, they should compare prices and shop around."

"As Minister of Finance, I can only encourage the retail industry to let the market work. And if the market works, prices should go down," Minister Flaherty added.

The Government of Canada is taking additional steps to protect Canadian consumers. In the Speech from the Throne, the Government committed to introducing measures on food and product safety to ensure families have confidence in the quality and safety of what they buy.

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